FINANCE SECRETARIAT

Prescribes the Calendar for Budget Works 1960-61.

ORDER No. FD 74 BUD 59, DATED BANGALORE, THE 11TH JULY 1959.

The attached Calendar for regulating the Budget work for 1960-61 is approved. The object with which an interval is allowed for several items of work is to secure even flow of work in the Finance Department (Budget) and thus avoid rush of work in the last stages. Estimating officers are requested *not* to take up the entire interval but to see that **top priority** is given to the Budget work and that returns are sent direct to the **Budget Branch** of the Finance Department addressed to the Under Secretary to Government, Finance Department (Budget) by name as soon as they are completed without waiting for the prescribed date.

2. All estimates are to be framed with the greatest possible care and with particular regard to *sanctions* and *actual requirements*. Those relating to receipt heads should aim at forecasting the realisable result as closely as possible; and those relating to expenditure heads—Revenue and Capital—should be limited to the minimum requirements.

3. Only such sanctions to establishment and other recurring charges as are communicated on or before 1st September 1959 may be ordinarily taken into account in framing the expenditure estimates. But a list of fresh sanctions should be sent to the Finance Department as on 1st January 1960, immediately after that date as in the previous year.

4. According to the existing procedure of framing the Plan Programme for the Budget year, the Planning and Development Department holds discussions with the Heads of Departments and prepares the Schemewar details which are finalised after discussion with the Planning Commission. On the basis of this, the Finance Department prepares a booklet of Plan Outlay according to Budget Heads giving details of Central assistance and the same is placed before the Legislature along with the Budget Estimates. The Planning and Development Department thereafter prepares a Plan Book giving a description of the Schemes and this is also supplied to members of the Legislature after theBudget Estimates are presented. Now that the Plan Programme prepared by the Planning and Development Department contains most of the details of the schemes in the Second Plan and there is limited scope for addition of new schemes, it is now decided that the Planning and Development Department should prepare a draft of the Plan booklet for 1960-61 (last year of the II Plan) by 15th December 1959 and thereafter the Finance Department will prepare the Plan Outlay according to Budget heads. In order that the Finance Department may be able to check up and finalise, if necessary after discussion with the Departments, the grants to be provided according to Budget heads indicating Central assistance, the Planning and Development Department should specify in respect of each Scheme the following details:

1. Outlay debitable to Revenue;
2. Outlay debitable to Capital heads;
3. Outlay debitable to Loan and Advance heads; and
4. Central assistance (percentage) of outlay—Loan or grant anticipated.

5. If in the Plan Programme prepared by Planning and Development Department in consultation with Finance Department, the Schemes are arranged under each Plan group head in the order of priority, it will be easier to omit less important schemes with reference to the Plan Ceiling fixed on the basis of resources. It is, therefore, requested that Heads of Departments should from now alone prepare the details, so that the time schedule could be adhered to. The Planning and Development Department will, however, issue instructions separately.

6. In giving details, such of the schemes not included in the Budget of 1959-60 and which come under the definition of New Service should be indicated separately, so that Finance Department could bring specifically these to the notice of the Legislature, if they are finally included in the Plan Programme within the ceiling. The expenditure estimates as a whole will be finalised in the Finance Department after incorporating the several provisions for Plan Schemes and the Centrally Sponsored Schemes as fixed above.

7. The Estimates should not be sent piecemeal. The Heads of Departments and Divisional Commissioners should forward consolidated estimates in the printed form to the Finance Department (Budget) in a complete manner. The Heads of

Departments including Divisional Commissioners should make special arrangements well in advance for obtaining information from the subordinate officers. In spite of allowing sufficient time and repeated instructions from time to time, the Finance Department experienced much difficulty, while framing Estimates of 1959-60 as the Departments went on proposing alterations even after the Estimates were finalised. In some cases consolidated estimates were not properly prepared.

8. In some cases the Heads of Departments and other Estimating Officers had simply forwarded without proper scrutiny copies of estimates received from their subordinate officers which were prepared in manuscript in different forms and in varying sizes. It should be noted that the work of consolidation of the estimates received from the subordinate officers after scrutiny is the responsibility of the Chief Controlling Authority who has to exercise control over the estimated expenditure of the entire department.

9. The subordinate officers are still in the habit of either forwarding estimates direct to the Finance Department without routing them through their Heads of Departments or they endorse copies of estimates sent by them for information of Government. It may be clearly understood that Finance Department will not take cognisance of such data furnished directly by subordinate officers. It is the duty of the Heads of the Departments to issue necessary instructions to their subordinate officers not to repeat such procedure this year. Each Head of the Department has to see that the work of consolidation of the estimates received from their subordinates in the prescribed standard forms is done and *only such consolidated estimates pertaining to his department are sent to Finance Department (Budget) on or before the due dates fixed.* It may be noted that any Estimates received after the due dates cannot obviously be considered and the Departments will be responsible for omissions as a result of such belated proposals. Any delay in forwardal of the estimates beyond the due dates prescribed will be brought to the notice of the Ministers in charge.

10. It has been decided that with effect from 1960-61, a list of *New Items* of Expenditure should be printed separately as an Appendix to the Budget Memorandum. It is, therefore, necessary for the Heads of Departments to furnish detailed explanatory note for each such item as may be treated as an item of New Expenditure in accordance with the definition given in the Annexure I. Such items should be clearly indicated both in respect of expenditure proposed within the Plan and outside the Plan separately. The acceptance of any of the items referred to will depend upon the resources available after providing for all Committed Items and Schemes already sanctioned and in progress. It is, therefore, very necessary that proper priorities should be fixed for the New Items of Expenditure.

11. In respect of Works Expenditure, particular attention is invited to Official Memorandum No. FD 11 BPL 59, dated 30th May 1959 and the Heads of Departments will keep in view the instructions contained therein. A copy of the said O.M. is also appended to this calendar (*vide* Annexure II).

12. In the consolidated Budget Estimates, the totals of major heads will be worked to thousands of rupees and those of minor heads to hundreds of rupees. In fixing the provision under individual heads of account, the provisions will have to be rounded to the nearest hundreds. This may be kept in view in preparing the Estimates.

13. The Director of Printing, Stationery and Publications is requested to treat all Budget work as urgent and return the Budget sheets on the dates prescribed by the Finance Department. The Director is personally responsible to see that no delay occurs at any stage in the Press and that the Budget work is given the highest **priority.**

14. Government desire to impress on all Heads of Departments, Chief Engineers and Divisional Commissioners that it is their duty to pay special attention to Budget work and *to see that the time limits prescribed are strictly adhered to* so that the work in the Budget Branch of the Finance Department is not held up in any stage for want of information from the departments concerned.

By Order and in the name of the Governor of Mysore,

G. MATHIAS,
Secretary to Government,
Finance Department.

CALENDAR FOR BUDGET WORK, 1960-61.

By 1st September 1959.

Preparation by Estimating Officers of detailed estimates regarding fixed charges (Pay of Officers, Pay of Establishment, Allowances and Honoraria, Grants-in-aid, Scholarships, etc.), and submission of these estimates to the Finance Department (Budget Branch) in blank forms supplied.

14th September to 12th October 1959.

2. Transmission by the Finance Department of the details of the fixed charges received from the departments to the Audit Sections of the Office of the Accountant General for verification of the estimates.

Return of these estimates from the Audit Sections to the Finance Department with memos of alterations, if any.

In the case of estimates relating to departments like Education, Food Supplies, etc., where separate Accounts Officers are sanctioned, the Estimating Officers will prepare the details in consultation with the respective Accounts Officers.

28th September to 19th November 1959.

3. Fixation by the Finance Department of the estimates relating to the fixed charges taking into consideration the alterations, if any, proposed by the Accountant General in consultation with Administrative Secretariat, where necessary.

By 1st October 1959.

4. Forwardal to Chief Engineer (General), Chief Engineer, Irrigation and Public Health, Chief Engineer, Irrigation Projects, Chief Engineer, Sharavathi Project (Civil) and Chief Engineer, Hydro-Electric Construction Projects, of the sheets relating to works (Appendices E and F).

Forwardal to the Director of Public Instruction in Mysore, Bangalore, of the sheets relating to Appendices C, CC, D and H.

Forwardal by the Accountant General to the Finance Department of the actuals for 1958-59 relating to Revenue, Expenditure and Works portion pertaining to Electrical and Public Works Departments and Ways and Means Section.

By 2nd November 1959.

5. Return of the Consolidated Abstracts for 1959-60 by the Accountant General furnishing the actuals for first six months from 1st April 1959 to 30th September 1959. (The Revenue Abstracts to be received back with figures by 29th October 1959).

Forwardal to the Estimating Officers of the Revenue Sheets. The Departments will prepare these estimates on the basis of the actuals for the first six months of the current year according to their books and the actuals of the preceding years 1958-59 and 1957-58.

By 31st November 1959.

6. Return to the Finance Department, by the departments, of the Revenue Estimates and of the estimates relating to Appendices E and F pages by Chief Engineer (General), Chief Engineer, Irrigation and Public Health, Chief Engineer, Irrigation Projects, Chief Engineer, Sharavathi Project (Civil) and Chief Engineer (H.E.C.P.) and Appendices C, CC, D and H pages by the Director of Public Instruction with columns duly filled in.

The estimates of the following heads will be prepared by the Accountant General and transmitted to the Finance Department by the above date :—

XX Interest.
XLIV Receipts in aid of Superannuation.
XLVI Miscellaneous.

3rd November to 10th November 1959.

7. Fixation of the Revenue Estimates in consultation with the Administrative Secretariats. The estimates of Gross Receipts of the following heads will be completed at this stage :—

XVII I.N.E. and D. Works (Commercial).
XVIII I.N.E. and D. Works (Non-commercial).
XLVI-A Receipts from Road and Water Transport Schemes.

Finalisation of estimates relating to works of the Public Works and Electrical Departments.

By 2nd November 1959.

8. Forwardal of blank forms of Expenditure sheets to the Estimating Officers. The Departments should prepare these estimates on the basis of actuals of first six months of the current year and the actuals of the preceding years 1958-59 and 1957-58. The estimates regarding the following heads will be prepared by the Accountant General and will be sent so as to reach the Finance Department before 21st December 1959 :—

(1) 22 Interest.
(2) 54-A Territorial and Political Pensions.
(3) 54-B Privy Purses and Allowances of Indian Rulers.
(4) 55 Superannuation Allowances and Pensions.
(5) 55-A Commutation of Pensions financed from Ordinary Revenue.
(6) 57 Miscellaneous (Portion).
(7) 83 Payments of Commuted Value of Pensions.
(8) 85 Payments to Retrenched Personnel.

By 7th December 1959.

9. Return by the departments of the Expenditure Estimates duly framed Forwardal of eight months' actuals by Accountant General for purposes of verification of Revised Estimates fixed on the basis of six months' actuals earlier.

By 15th December 1959.

10. Preparation by the Planning and Development Department of the Plan Programme for 1960—61 by Schemes in consultation with Heads of Departments concerned.

By 31st December 1959.

11. Preparation by Finance Department of the Plan Outlay for 1960—61 by Budget Heads.

4th December 1959 to 2nd January 1960.

12. Finalisation of the Expenditure Estimates in consultation with Administrative Secretariats where necessary.

21st December 1959 to 7th January 1960.

13. Forwardal of the sheets relating to (1) Public Works and Capital Estimates to the departments concerned; (2) transactions under Depreciation

Funds, etc., and preparation and return of these estimates by the departments to the Finance Department.

Estimates regarding Loans and Advances and Ways and Means will also be dealt with at this stage in consultation with the Accountant General.

By 15th January 1960.

14. Finalisation by the Planning and Development Department of the Plan Programme for 1960—61 by Schemes after discussions with the Planning Commission.

By 25th January 1960.

15. Finalisation by the Finance Department of the Plan Outlay for 1960—61 by Budget Heads.

By 30th January 1960.

16. Preparation of Group and Major head abstracts, Ways and Means, preparation of the Council Note, Budget Memorandum, etc. The Ways and Means Estimates will be verified by the Accountant General.

1st February to 10th February 1960.

17. Finalisation of Budget proposals by Government.

15th February 1960.

18. Forwarding of Budget Proofs to the Press with final print order.

By 20th February 1960.

19. Completion of printing and despatch of printed copies to Government by the Director of Government Printing.

Departments including Divisional Commissioners should make special arrangements well in advance for obtaining information from the subordinate officers. In spite of allowing sufficient time and repeated instructions from time to time, the Finance Department experienced much difficulty, while framing Estimates of 1959-60 as the Departments went on proposing alterations even after the Estimates were finalised. In some cases consolidated estimates were not properly prepared.

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By 20th February 1960.

19. Completion of printing and despatch of printed copies to Government by the Director of Government Printing.

ANNEXURE I

NEW SERVICE

(Subject to approval by the Public Accounts Committee)

Sl. No.	Item of Expenditure	Criteria for treating the expenditure as on a 'New Service'
1	2	3
1.	Additional staff for normal increase of work or for a purely temporary need in Government Department.	The employment of additional staff in connection with an existing service or for a purely temporary need, need not be treated as a 'New Service', whatever be the amount involved. But if the extra expenditure on the expansion of an existing service exceeds Rs. 30,000 recurring per annum taking the scheme as a whole (*i.e.*, cost of Establishment, Buildings, equipment and other amenities, etc.), the scheme should be brought specifically to the notice of the Legislature. *Illustration.*—(1) *Extra expenditure on staff in particular establishment.* If, owing to increase in work, the number of typists in all Government Offices is increased or if an extra clerk is given for each Taluk Office owing to the growth of Land Revenue work, the extra cost does not constitute a 'New Service' or 'New Instrument of Service', as it is obviously the result of a normal growth of Government work. (2) *Introduction of new Schemes.*—If, however, on the introduction of a new scheme (*e.g.*, Community Development Work), an additional Revenue Inspector or Accountant is given to each taluk, the expenditure involved will be one on 'New Service,' if the total annual cost exceeds Rs. 30,000 and as it involved the adoption of a new policy by Government, *i.e.*, the sanction of increase of the cadres of services or number of posts of a particular kind (either permanently or as a temporary measure). *Explanation.*—The term 'recurring' means the expenditure which extends beyond the financial year in which it is sanctioned.
2	Cases other than those referred to in Sl. Nos. 1,6 and 8, already approved by the Legislature, but where expenditure is subsequently expected to exceed appreciably the amount originally intimated to the Legislature.	These cases need not be treated as 'New Service' provided the increase over the grant previously voted does not exceed four times the previous grant or 2 lakhs whichever is less.
3	Grants and contributions for existing purposes.	When the amount involved exceeds Rs. 15,000 recurring or Rs. 50,000 non-recurring.
4	Works	New works including Electricity Schemes expected to cost more than Rs. 1,00,000. In the case of extensions and improvements the limit is, however, Rs. 2,00,000.
5	Committees constituted by Government from time to time.	When the expenditure is estimated to exceed Rs. 15,000 per annum recurring or Rs. 50,000 non-recurring.

ANNEXURE I—(*concld.*)

Sl. No.	Item of Expenditure	Criteria for treating the expenditure as on a 'New Service'
1	2	3
6	Revision of scales of pay	When the extra cost exceeds Rs. 50,000 per annum.
7	Experiments, investigations and demonstrations.	As a rule, expenditure on experiments, investigations, etc., need not be treated as on a 'New Service'. However, all expenditure of this character incurred each year without fruitful results should be reported to the Accountant General for incorporation in the Appropriation Accounts with suitable explanation for report to the Public Accounts Committee in due course.
8	Loans and advances carrying interest not covered by the provisions in the Budget.	When the amount exceeds rupees one lakh.
9	Change in classification of expenditure.	Expenditure on an existing service under one head but involving provision of funds under a different head due to change in classification of expenditure need not be considered as an expenditure on a 'New Service'.